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Public governance for results to improve the quality of human life for all, by supporting the implementation of the internationally agreed development goals, including the Millennium Development Goals

Public governance for results: State capacity for post-conflict and post-disaster reconstruction and social protection policies

Note by the Secretariat

Summary

The present note transmits a paper written by Ms. Susan Woodward and Mr. Peter Anyang' Nyong'o, members of the Committee of Experts on Public Administration, prepared in accordance with the proposed programme of work and agenda for the tenth session of the Committee (E/2010/44-E/C.16/2010/5, chap. III, sect. F). The views expressed and the content presented in the paper are those of the authors and do not imply any expression of opinion on the part of the United Nations.

The paper is presented in two sections focusing on governance for results. The first focuses on building State capacity in post-conflict and post-disaster countries, and the second focuses on social protection policies. The first section assesses internationally driven governance processes and proposes recommendations for change in related international policy. The second reviews the decision-making processes of governments in relation to social protection. The effectiveness of a range of policy types is discussed, affirming the importance of social protection in both social and economic development. The meeting point between the two is that effectiveness of State capacity ought to be visible in social protection, especially in post-conflict/disaster countries, where the poor and vulnerable are most susceptible to the negative impact of conflict and disaster.

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I. Introduction

1. Violent conflicts, natural disasters and the effects of climate change continue to be prevalent sources of economic, political and social destruction in many parts of the world. They have a significant negative impact on the income, wealth and living conditions of populations, in particular the most vulnerable social groups. This calls for effective policies for social protection to minimize the negative socio-economic impacts of conflict and disaster. National Governments and international organizations are challenged to achieve the internationally agreed development goals, including the Millennium Development Goals, when the capacities of States in many regions are weakened by conflict and disaster and their social protection policies are either inadequate or absent altogether. Among the primary areas of focus in efforts to build State capacity after conflict and/or disaster should be policies and strategies to address the poverty and vulnerability of citizens by minimizing their exposure to risks through the provision of basic services in critical areas such as education, health care, water, nutrition and shelter, so as to pave the way for development.

2. The present paper makes an assessment of the available knowledge base and theoretical frameworks and explores successful practices, with many examples from the field. The capacity of the State to prevent and address conflict and provide social protection is the primary component of effective governance considered; attention is also focused on the scope of international assistance in presenting incentives for leadership, strengthened institutional frameworks and collaboration on domestic policy initiatives.

II. Governance for results in post-conflict and post-disaster countries

Background

3. More than one third of all countries have experienced violent internal conflict in the past half-century. Since 1960, 20 per cent of all countries have experienced at least 10 years of civil war, and the proportion of countries embroiled in civil conflict at a single point in time increased steadily through the last half of the twentieth century, peaking in the 1990s.[1] In 2009, 36 armed conflicts were active in 27 locations.[2] An increasing number of countries, regardless of their levels of development, now face the consequences of climate change annually, whereas drought or flood used to occur every 7 to 10 years.[3] Nicaragua, for example, has endured five successive years of destruction from tropical storms and hurricanes. The exponential growth in international activism (more than 30 peace operations currently) and institutionalized capacity to respond to both conflicts and disasters over the past two decades has also fundamentally altered the landscape of peacebuilding and recovery. What is often overlooked in such situations is the dire

[1] See C. Blattman and E. Miguel, "Civil war", *Journal of Economic Literature*, vol. 48, No. 1 (March 2010).

[2] L. Harbom and P. Wallensteen, "Armed conflicts, 1946-2009", *Journal of Peace Research*, vol. 47, No. 4 (July 2010).

[3] See the disaster statistics available at www.unisdr.org.

lack of social protections for the poor and the vulnerable when conflict or disaster strikes.

4. The challenges to governance for results are particularly difficult because of two characteristics of these environments: the large number of tasks and goals that need to be addressed simultaneously, including rebuilding the capacities of State institutions and protecting the affected population, in particular through the provision of basic services, and the challenge of managing the unusual extent of external involvement. The complexity of making decisions about so diverse a set of problems is compounded by the fact that a large number of well-resourced external actors are providing relief, public services, security and budgetary support. Further compounding factors in post-conflict cases are the myriad humanitarian, peacebuilding, capacity-building and development projects, mandated peacekeeping missions, international non-governmental organizations acting as implementing agents and development strategies designed by and based on needs assessments by the World Bank and the United Nations Development Programme (UNDP), and the wide range of governance conditionalities for aid and immediate, obligatory negotiations, such as those on debt arrears with the International Monetary Fund (IMF).

5. Failures in post-conflict and post-disaster recovery are more often rooted in the characteristics and policies of external actors than in problems associated with domestic governance. Not only are problems related to peace and security and natural disasters global in nature, but improvements in those areas are also truly global governance challenges.

Why combine "post-conflict" and "post-disaster"?

6. The very concepts of "post-conflict" and "post-disaster" reveal the dominance of foreign and international actors in this field of governance. Although the two categories differ significantly in terms of the conditions, needs, tasks and priorities associated with them, they are nonetheless addressed jointly in the assistance documents, policies and bureaucracies of donor countries, multilateral banks and regional and intergovernmental organizations because their defining feature is that neither fits the conditions and procedures of normal aid processes. The solution has been to classify them both as emergencies that require separate treatment — above all, a rapid and flexible response and related instruments for external assistance.

7. The idea of considering disaster assistance as an emergency is a long-standing one, and requirements, in this respect defined all responses to countries in conflict until the mid-1990s, even if the responders belonged to different organizations and traditions and espoused varying norms, in areas ranging from humanitarian and development to security, both civilian and military. A difference was first recognized institutionally in 1995, however, when IMF and the World Bank removed what they began to call "post-conflict countries" from their financial facilities for "emergency assistance" on the grounds that, because of their conditions (identified as weak or failed governance) they required substantially different treatment than countries facing natural disasters.

8. The clarity of this decision was lost, however, when the World Bank and the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) together decided in 2002 to combine what

they called "conflict-affected" and "fragile" States[4] into one institutional category under one set of policies. Many United Nations programmes and agencies, such as UNDP, the United Nations Office for the Coordination of Humanitarian Affairs, the World Food Programme (WFP), the United Nations Children's Fund (UNICEF) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), operate similar programmes under both sets of conditions, including within the integrated missions of contemporary complex peacekeeping operations. The recent move by the Bureau for Crisis Prevention and Recovery of UNDP to specialize on "early recovery" combines all three categories: post-disaster, post-conflict and conflict prevention.

9. Nevertheless, the differences between post-conflict and post-disaster needs and conditions remain and may even be widening. It is significant that countries that are vulnerable to repeated natural disasters and the growing risks associated with climate change are now arguing that the concept of emergency as a one-off, unpredicted crisis also needs to be reconsidered to reflect their realities and the need for public governance capacities to manage repeated, successive crises and to confront pre-disaster, disaster and post-disaster challenges simultaneously and cumulatively. Thus, for example, development planning, especially with regard to agricultural production and food security, and disaster planning become one and the same. This requires highly agile and flexible decision-making and the mobilization of a significant part of the administrative capacities and resources of multiple State institutions, as well as support from the private sector and civil society, not just emergency assistance.

The combination of security and development

10. The move to distinguish "post-conflict" from "post-disaster" at IMF and the World Bank had a specific trigger: the fact that the majority of countries in debt arrears to the international financial institutions were in conflict and that new efforts in the 1990s to resolve the continuing "debt crisis" since the period 1979-81 thus needed to address security issues. In the same period, development agencies such as the United States Agency for International Development, the Canadian International Development Agency, and the Department for International Development of the United Kingdom of Great Britain and Northern Ireland, were concerned about bringing greater attention and resources to development by emphasizing its security implications, in particular with the concept of "failed" (or "fragile") States. The very high and robust correlation between poverty and conflict (the poorer the country, the more likely it was to be in conflict) was also established by scholars,[5] even though the cause of that relationship was (and still is) hotly contested. The result of these empirical discoveries was increasing interaction between development and security actors, institutional resources and objectives, adding further complexity to an already crowded field and agenda of objectives, including how to coordinate efforts across very different organizational cultures, such as between the Security Council and the Economic and Social Council and within the United Nations Secretariat, the Department of Peacekeeping Operations and UNDP.

[4] Previously referred to as "low-income countries under stress" by the World Bank and "aid orphans" by DAC.

[5] See M. Humphreys, *Economics and Violent Conflict* (Harvard University, 2002).

11. Increasing international activism has also meant that, in contrast to the cold war period, 70 per cent of all intra-State conflicts are now resolved through a negotiated agreement, rather than a military victory for one side, followed by a Security Council commitment to authorize a peacekeeping mission to help implement the agreement. Going far beyond traditional peacekeeping, the mandates of these second- and third-generation missions aim to actively "build peace" by helping to transform the society, economy, culture and political order of the country.

12. Most significantly for governance, the influence of development actors, in particular IMF and the World Bank, on issues of peace and conflict has resulted in the prioritization of "good governance" as the critical policy goal of both security and development. Thus, "State-building" (including demilitarization and security sector reform, the rule of law, human rights and democratization, alongside the neo-liberal policies and new public management approach to governance adopted by the World Bank and OECD-DAC donors, which place priority on financial management and liberalization) is now considered essential to peace, and peace in turn is considered necessary for development.[6]

The results of international assistance: what do we know?

13. There have been many positive consequences of this international activism since 1989, in particular that of the United Nations. Many long-running, apparently intractable conflicts have been ended. Although intervention in civil wars tends to prolong their duration,[7] United Nations-mandated peacekeeping missions to implement a peace agreement, once it has been negotiated, have reduced the proportion of cases in which there is a return to war from more than half to approximately one third.[8] Humanitarian interventions in cases of natural disasters and complex emergencies are now pervasive and highly institutionalized. Nonetheless, critical evaluations of the international responses to the Asian tsunami of 2004 and to the 2009 hurricane and 2010 earthquake in Haiti are troubling, and the failures in post-conflict cases far outweigh the successes, particularly if the yardstick is not preventing a return to war (a "minimalist peace"[9]) but leaving a stable Government and improving the lives of citizens.

14. The volume of policy evaluations and academic literature on post-conflict countries is now vast, but their conclusions emphasize two explanations for the discouraging results they document: a donor-driven agenda, and what one might call the paradox of international State-building.

Internationally driven governance processes

15. The policies, programmes and projects of external assistance dominate the governance process in post-conflict countries. Thus, the preferences, criteria and

[6] The most recent scholarship, summarized in the *Human Security Report 2009/2010*, argues convincingly for the reverse causal direction: from economic development and rising per capita incomes to peace.

[7] See P. M. Regan, "Third-party interventions and the duration of intra-State conflicts", *Journal of Conflict Resolution*, vol. 46, No. 1 (February 2002).

[8] See M. D. Toft, *Securing the Peace: The Durable Settlement of Civil Wars* (Princeton, New Jersey, Princeton University Press, 2009).

[9] See M. W. Doyle and N. Sambanis, *Making War and Building Peace: United Nations Peace Operations* (Princeton, New Jersey, Princeton University Press, 2006).

results are defined by donors and other external actors and are internationally imposed. The principles of good public governance — transparency, accountability, professional integrity of public service, and citizen participation — are not followed. The result has been the crowding out of local actors from all aspects of governance for quite some time, even though studies demonstrate that successful reforms and implementation occur only if they respond to local demand and are locally designed.[10] Policy-oriented documents are thin on evidence and high on prescription. Yet the preconditions of success and the outcomes they prescribe tend to be highly unrealistic.

16. Three aspects of this lack of realism help explain the inadequate results:

(a) **Timelines.** Given the emphasis placed by external actors on speedy responses and results and their short-term horizon and concern with exit strategies — even where they understand how much time is required to attain their goals, such as essential changes in beliefs and values, or even political transitions, which tend to require a decade or more, even in non-conflict, non-disaster situations — there is a structural bias towards impatience. Yet the disbursement of aid itself is often delayed for years;[11]

(b) **The what, not the how.** As Merilee Grindle has shown, the "good governance agenda" is huge, often listing hundreds of activities and goals, too ambitious an agenda for any human effort to achieve and with no guidance on priorities for those who are expected to implement it.[12] Thomas Carothers notes that foreign consultants know what institutional outcomes they seek (whether or not they are appropriate for the case in question), but rarely how to achieve them operationally.[13] This can lead unintentionally to a type of defeatism. As the *World Public Sector Report 2010* makes clear, unless leaders champion the creation and operationalization of the right institutions and have a vision of the future, no lasting peace can be guaranteed; it is not possible to transform public administration without transforming the beliefs, attitudes and behaviours of political leaders and civil servants.[14] Yet such leadership is highly unlikely and certainly rare under such conditions, and beliefs and attitudes change very slowly;

(c) **Gold standard expectations.** As periods of crisis, whether post-conflict or post-disaster, are often viewed as golden opportunities to make transformative changes that are not possible in normal conditions, external prescriptions are based on the highest international standards for institutions and service delivery, with little or no consideration of the resources necessary to achieve such standards, however desirable they may be, let alone what is possible in poor, resource-constrained

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[10] See F. Fukuyama, *State-Building: Governance and World Order in the 21st Century* (Ithaca, New York, Cornell University Press, 2004) and World Bank, *The World Bank's Experience with Post-Conflict Reconstruction* (Washington, D.C., 1998).

[11] See S. Forman and S. Patrick, *Good Intentions: Pledges of Aid for Post-conflict Recovery* (Boulder, Colorado, Lynne Rienner, 2000).

[12] M. Grindle, "Good enough governance: poverty reduction and reform in developing countries", *Governance: An International Journal of Policy, Administration and Institution*, vol. 17, No. 4 (October 2004).

[13] T. Carothers, ed., *Promoting the Rule of Law Abroad: In Search of Knowledge*. Washington, D.C., Carnegie Endowment for International Peace (2006).

[14] United Nations, *World Public Sector Report 2010: Reconstructing Public Administration after Conflict: Challenges, Practices and Lessons Learned* (United Nations publication, Sales No. E.10.II.H.1), chap I.

countries and, especially, to sustain them financially after donors and international organizations depart.

The paradox of international State-building

17. Studies of the actual outcomes of such international assistance reveal what has been called the "aid-institutions paradox": the fact that aid actually undermines or even destroys local institutions and capacity.[15] In post-conflict and post-disaster cases, this is heightened by the absence of what outsiders call the capacity or will to do as expected and the resulting tendency of such outsiders to take charge themselves and to seek alternative channels for aid delivery that bypass a country's Government, citing, as justifications, low absorption capacity, weak local administration and corruption. Yet because 40 to 70 per cent of all donor assistance to post-conflict countries goes to foreign consultants and advisers, there are few incentives to improve Government capacity, because that would lead to their being replaced.[16] While the largest share of all international resources in such cases goes to the military (60 to 70 per cent), only 3 to 5 per cent at most, of civilian assistance is designated for political institutions, whether related to elections, the rule-of-law institutions or public administration.

18. A second consequence of international assistance in post-conflict cases is long-term distortions in the local economy. Carnahan and others documented this carefully in their comparative study of peacekeeping operations in Burundi, Côte d'Ivoire, the Democratic Republic of the Congo, Haiti, Kosovo, Liberia, Sierra Leone and Timor-Leste.[17] Multiple studies have shown that the effects of the insistence on the part of the international financial institutions and some donors that efforts to achieve macroeconomic stabilization, privatization and liberalization be concurrent with the initial influx of aid are: (a) inflation, which pushes up the exchange rate and makes local businesses uncompetitive with foreign companies; and (b) pressure to cut public expenditure on social assistance, to require cost recovery, to privatize services, including education and health care, and to reduce civil service positions and salaries at the very time when the political commitments made in peace agreements and the crucial importance of a peace dividend, of restoring trust in government and of the values of fairness and equity require the opposite. The citizen concern expressed most frequently in public opinion surveys in all post-conflict countries is the unsustainably high unemployment rate and lack of opportunities for legitimate means of survival that is common to them all.

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[15] See D. A. Bräutigam and S. Knack, "Foreign aid, institutions, and governance in sub-Saharan Africa", *Economic Development and Cultural Change*, vol. 52, No. 2 (January 2004); F. Fukuyama, *State-Building: Governance and World Order in the 21st Century* (Ithaca, New York, Cornell University Press, 2004); and T. Moss, G. Pettersson and N. van de Walle, "An aid-institutions paradox? a review essay on aid dependency and State building in sub-Saharan Africa", Working Paper No. 74. Washington, D.C., Center for Global Development (January 2006).

[16] See Miles Kahler, "Aid and State-building", paper presented at a workshop on economic strategy, aid policy and the State in countries emerging from war, held at the Graduate Center of the City University of New York, 3 April 2008.

[17] M. Carnahan, W. Durch and S. Gilmore, "Economic impact of peacekeeping: final report", report commissioned by the Peacekeeping Best Practices Section of the Department of Peacekeeping Operations (March 2006), available from www.peacekeepingbestpractices.unlb.org.

Improvements: the focus on resources

19. These discouraging results and assessments have led to multiple efforts over the past 15 years to improve assistance and peacekeeping, by the World Bank, DAC donors, humanitarian organizations and the entire United Nations system. Yet the primary explanation offered is inadequate resources.[9,18] Thus, reforms on the external side have focused on increasing financial resources — for example, new facilities from the international financial institutions; donor contributions (especially from the European Union) to increase the resources and capacity of regional organizations, such as the African Union; the establishment, in 2005, of the United Nations Peacebuilding Fund; efforts to engage private businesses; and new mechanisms for aid coordination (such as trust funds) and delivery. The dangers of this approach are that the paradox of State-building — designing governance processes as aid-delivery mechanisms, with the accompanying fragmentation and lack of strategy — will grow more pronounced; alternatives under current conditions of global financial and economic crisis will not be explored; and an increasing number of resources will be consumed by the international coordination process rather than by country-programmable aid. At the same time, no international funds are yet being mobilized to assist poor, developing countries in adapting to climate change and the increased frequency of natural disasters.

How to assist post-conflict countries

20. One of the more hopeful recent developments in the field of conflict-affected and fragile States is the growing activism on the part of the countries themselves in response to the results of international assistance and intervention. One such example is an important new forum, the International Network on Conflict and Fragility, created in December 2008 as a response to the demand by countries of the OECD-DAC at the third High-level Forum on aid effectiveness, held in Accra, in September 2008, to "move beyond aid management concerns to examine the substantive policy issues of security, peacebuilding and State capacity", the follow-up International Dialogue on Peacebuilding and State-building, the G7+ and the Dili Declaration.

21. Both scholars and activists from conflict-affected countries also emphasize the importance of starting with capacity, not needs, assessments; of "listening" rather than dictating; and of focusing on capacities for development.[19] The literature on the causes and dynamics of civil war emphasizes the immense heterogeneity of this category, across and within countries, reinforcing the call for locally defined strategies; but it also emphasizes the endogeneity of external actors with respect to the changes occurring in a country. The lesson of endogeneity is particularly significant, because the period after a ceasefire or peace accord is signed is one of heightened and often prolonged political uncertainty and unusually high-stakes contests over the creation of a new constitutional and political order. The social and

[18] See A/55/305-S/2000/809.

[19] See C. Villa-Vicencio, *Walk With Us and Listen: Political Reconciliation in Africa* (Washington, D.C., Georgetown University Press, 2009), and E. Pires, "Policy coherence in the context of conflict and fragility — keeping a development focus: the challenges in ensuring policy coherence for development", statement to the Dili International Dialogue, 10 April 2010, available at www. un.org/en/ecosoc/newfunct/pdf/emilia_pires-statement.pdf.

economic disruption of disasters can also generate political uncertainty and even instability. To ignore this political dimension and sensitivity is surely to fail.

22. The complexity of post-conflict and post-disaster governance, in terms of tasks, problems, actors and decision-making, urges a focus on simplification in ways that the United Nations is best placed to promote:

(a) Putting local governments in the driver's seat so that priorities are chosen in relation to local conditions;

(b) Being pragmatic, by providing technical assistance and methodologies so that countries can identify the limited issues of governance reform on which action can be taken in the light of their own political priorities, their bureaucratic and technical capabilities and the necessary political support from the electorate and the political leadership;

(c) Shifting assistance policies away from the current diffusion of effort among the vast array of governance goals and reforms promoted in a piecemeal and ad hoc way by external assistance, towards providing guidelines and technical assistance to help countries identify their own governance priorities;

(d) Aiming at the generation of resources from within, because that would be sustainable; thus, the excellent work done by various United Nations bodies on national development strategies needs to be more closely integrated into efforts to develop the administrative capabilities required to articulate and implement such strategies;

(e) Respecting the time it takes to accomplish common international and domestic goals, including multi-year mandates and funds that are essential for strategic planning and governance for results in post-conflict and post-disaster environments;

(f) Pegging the whole purpose of reconstructing governance to the provision of essential services, including education, health care, water, nutrition, shelter and employment-generation activity.

23. There are many donors who would also welcome such a shift and many new, non-OECD donors, such as the BRICS States (Brazil, Russian Federation, India and China) and Gulf States, which are currently building capacities for aid planning and delivery. Whatever shift is preferred, there is clearly a need to put State capacity-building efforts after conflict/disaster at the service of social protection. This means that the capability of the State must have a strong bearing on making and implementing social protection policies and strategies so as to cushion its people against vulnerability to conflict and disaster. This introduces the issue of governance for results focused on social protection policies.

III. Governance for results in social protection policies

Background

24. Social protection consists of policies and programmes designed to reduce the poverty and vulnerability of citizens by promoting general social welfare, diminishing exposure to risks and enhancing the capacity of people to protect themselves against hazards and the interruption or loss of income. In developed countries, social protection is mainly thought of in terms of unemployment benefits

(for example, food stamps in the United States of America), social security in general, low-cost or subsidized housing for the poor and social health insurance. In the less developed countries, social protection coverage is often minimal, extending mainly to certain aspects of health, pension schemes and limited protection for workers.

25. It is generally accepted that there are five main forms of social protection today:

(a) Labour market policies and programmes designed to promote employment, the efficient operation of labour markets and the protection of workers;

(b) Social insurance programmes, to cushion the risks associated with unemployment, ill-health, disability, work-related injury and old age;

(c) Social assistance and welfare service programmes for the most vulnerable groups with no other means of adequate support, including single mothers, the homeless and physically or mentally challenged people;

(d) Micro- and area-based schemes to address vulnerability at the community level, including micro-insurance, agricultural insurance, social funds and programmes to manage natural disasters;

(e) Child protection, to ensure the healthy and productive development of children.

26. All of these policies have been implemented in different packages, at different times and in different countries. Nonetheless, the United Nations system, as an organization and through its various agencies, has tried to promote policies and programmes which could speed up the implementation of these programmes and policies in all its Member States. The most comprehensive package ever developed by the United Nations system is the Millennium Development Goals, which include commitments to reducing, inter alia, extreme poverty, hunger and disease, by 2015. In order to achieve the Millennium Development Goals, various developing countries have, since the launch of the initiative by the United Nations, developed "visions" or national development strategies that seek to embrace various aspects of social protection. Quite often, such policies are reflected in how government is organized: ministries of gender, women's affairs, youth and social protection have emerged in the structure of Governments.

27. More important, however, is the implementation of social assistance programmes either as emergency responses to social deprivation and extreme poverty or as permanent features of Government policies to respond to the plight of the poor.

28. The following questions are worth asking:

- What makes certain Governments embrace social protection policies while others do not?
- When a Government initiates social protection as an important plank of public policy, what aspects of social protection are given emphasis and for what reason?

- How effective are certain sets of social protection policy in improving general social welfare, alleviating poverty and meeting the Millennium Development Goals?
- How do Governments deal with resource allocation in implementing social protection?
- Which social forces tend to more successfully influence the effectiveness of social protection in public policymaking and resource allocation?

Initiatives taken by Governments in the area of social protection

Social assistance

29. Social assistance provides protection for society's most vulnerable groups, for example, those with no means of support, including single-parent households, victims of natural disasters (as in the recent case of Haiti) or civil conflict (which is rampant in various parts of the world), disabled persons and the very destitute among the poor. Social assistance is often implemented in the form of cash transfers, food stamps, lower prices for staple foods (for example, for maize flour in Zambia and Kenya), housing subsidies for public sector workers (a practice in Kenya since colonial times) and health-care vouchers (usually provided to expectant mothers, although this practice is still experimental in many of the countries where it has been recently introduced, such as in Kenya, where such vouchers are provided by the German donor agency GTZ).

30. Welfare and social services organized by the State or initiated by non-governmental organizations, or as joint projects, represent a common form of social assistance to highly vulnerable groups, such as the physically handicapped, the mentally challenged, orphans and drug/substance abusers in many countries. The better organized workers are, and the more urbanized a society is, the more likely it is that Governments will be pressured to supplement the price of staple foods (such as maize flour) and be less reluctant to withdraw food subsidies, even when they are under severe budgetary constraints and World Bank structural adjustment programmes. This has been the case in Zambia for a long time.

31. One of the most complex policy issues facing many developing country Governments, in particular in sub-Saharan Africa, relates to the problem of providing the impoverished sections of urban populations with adequate food at prices they can afford while both meeting the fiscal requirements of adjustment programmes and promoting domestic agricultural production. Zambia, one of the most urbanized countries in Africa, has faced this dilemma since the 1980s,[20] and thus far, market liberalization and structural adjustment programmes have not helped ease the problems of inadequate food supplies and growing poverty among the urban poor. Increased agricultural productivity and more affordable food prices still need to go hand in hand with effective food subsidy for the poor.[21]

32. The Government of Kenya has very frequently been compelled to subsidize and control maize prices even after price controls were abandoned following the

[20] See Richard Pearce, "Urban food subsidies in the context of adjustment: the case of Zambia", *Food Policy*, vol. 16, No. 6 (1991).

[21] See Jonathan M. Chizuni, "Food policies and food security in Zambia", *Nordic Journal of African Studies*, vol. 3, No. 1 (1994).

liberalization of the 1990s. In Kenya, maize flour (eaten in the form of ugali) is the staple food of the majority of the people.

Labour markets

33. In developed countries in which the working class is huge and the middle class very sizeable, issues relating to working conditions, salaries, employment benefits and unemployment are extremely important factors in daily politics and a preoccupation of policymakers. In developing countries, while such issues are no doubt important and cannot be ignored, they are not really the preoccupation of policymakers. Rather, at the top of the agenda of politicians and policymakers are farm gate prices for agricultural produce, the vagaries of the weather, which affects agriculture, public security and access to education.

34. The issue of labour markets is, however, rapidly emerging as one that public policymakers in developing countries ignore at their own peril, since the educated are rapidly becoming part of the unemployed. Aware and vocal as they are, they tend to bring the issue forward, especially as Governments are increasingly being held accountable, owing to gains made as a result of democratic struggles. Thus the issue of labour markets and their role in formulating social protection programmes can no longer be treated simply as "a problem of developed countries"; it is genuinely of universal concern.[22]

35. It has been argued that, as work is the poor person's main source of income — whether formally or informally — understanding how the market in which a worker sells his labour is essential in the formulation of policies meant to address unemployment, the undervaluing of labour power and incidences of poverty among workers. Improving labour market operations is also an important element of strategies to develop human capital, address gender discrimination and enhance welfare and productivity.

36. Active labour market interventions include the following:

(a) Direct employment generation: the promoting of small and medium-sized enterprises (through economic stimulus, women and youth enterprise funds, and rural enterprise funds in many developing countries) and public works (such as work-for-food programmes and *kazi kwa vijana* (work for youth) project in Kenya);

(b) Labour exchanges or employment services: job brokerage and counselling, linking supply with demand for labour, which has been practised in the agricultural sector in Côte d'Ivoire since colonial times.[23] Indeed, over a long period of time, if practised across territorial borders, such as that between Côte d'Ivoire and Burkina Faso, this can lead to a permanent feature of labour migration, creating an immigrant community whose citizenship status can be politically problematic if not addressed by democratic means;

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[22] In article 43 of the constitution of Kenya promulgated on 27 August 2010, work is designated as a basic human right; so are access to housing and affordable and quality health care.

[23] See Samir Amin, *Le développement du capitalisme en Côte d'Ivoire* (Paris, Les Éditions de Minuit, 1967); P. Anyang' Nyong'o, "The development of agrarian capitalist classes in Ivory Coast", in Paul Lubeck, ed., *The African Bourgeoisie: capitalist development in Nigeria, Kenya, and the Ivory Coast* (Boulder, Colorado, Lynne Reiner, 1987).

(c) Skills development programmes: training and retraining of labour. This can often be implemented in terms of Governments, universities, non-governmental organizations and donors offering opportunities for training or "retooling" so that the employable can, through such opportunities, get access to new labour markets offered by such developments as in electronics, outsourcing, transit trade, etcetera.

37. Passive labour market policies include the following:

(a) Unemployment insurance, which can be implemented through laws under which enterprises are compelled to support employees who have been laid off by providing them with some income over a prescribed period of time, through direct Government support for the unemployed, or through the provision by Governments of certain services to the unemployed, such as subsidized housing and health facilities;

(b) An appropriate legislative framework that strikes a balance between economic efficiency and labour protection, including safe working conditions, minimum wages, social security contributions and other labour standards. These are the issues motivating the bulk of trade union agitation almost everywhere in pursuit of International Labour Organization conventions. Indeed, unions in developing countries, where they are able to operate, have been most assertive in the area of pushing for appropriate legislative frameworks and implementing policies that guarantee safe working conditions and minimum wages for workers. Unions are not always successful; a number of union leaders are made to compromise, either by the employers or the State, and to accept wages below the minimum and conditions that are not safe. Workers who are unskilled, have minimal education and few job options are in no position to make wage demands. Their problems are further compounded by the influx of foreign workers — both legal and illegal — who are even more vulnerable, since they are prepared to accept any salary, provided their employers can give them safe domicile and provide them with a basic livelihood. Such workers become "enemies", as it were, of the local unemployed, since they reduce the bargaining power of the latter and can trigger xenophobia among the locals, as happened in South Africa.

38. In a letter to the editor of the Malaysian newspaper *The Star*, Philip Wong stated that "having low wages is not good for the Malaysian economy because the workers would then have no purchasing power. ... If we want to become a high-income society, we must address the issue of foreign workers and the issue of minimum wage in tandem". He proposed that, in order to raise the minimum wage and improve productivity, the entry of foreign unskilled workers into Malaysia be restricted and automation in processes of production encouraged.[24]

Social insurance

39. Social insurance mitigates risks by providing income support in the event of illness, disability, work injury, maternity, unemployment, old age or death. Specific programmes, which can be implemented (and/or legislated for) singly or in combination, include the following:

(a) Insurance against frictional or structural unemployment — partly dealt with under "Labour markets" above (see paras. 33-38) — is very much a creature of

[24] See *The Star* online, 29 April 2010.

public policy and legislation in developed countries (and some middle-income countries);

(b) Insurance against work injury, very often in terms of "workman's compensation laws", as prescribed by ILO conventions; this compensates workers for work-related disease or injuries;

(c) Disability and invalidity insurance, usually linked to old-age pensions or designed to cover full or partial disability; many physically challenged people are currently not covered by this form of insurance because it is applied to mainly disabilities related to old age. It needs to be recognized, however, that the physically challenged need this form of insurance if they are to realize their potential;

(d) Social health insurance that seeks to provide health-care access to citizens, particularly those who cannot have access to private health insurance schemes. In many countries, this involves contributions from both employers and the employed, with Government subsidies to the poor. In others, including Kenya, it is a Government-run contributors' scheme, compulsory for all employers, in which the employers simply deduct wages from their employees and the Government provides the management and infrastructure for implementing it. In other jurisdictions, including Germany, employers and employees both contribute;

(e) Maternity insurance to provide benefits to women during pregnancy and post-delivery, sometimes including legislation for fully (or partly) paid maternity (and paternity) leave for a period of time. In Kenya, expectant mothers receive free antenatal health care in public health facilities and free delivery, provided they are covered under the National Hospital Insurance Fund;

(f) Old-age insurance to provide income support after retirement;

(g) Life and survivor insurance to ensure that dependants are compensated for the loss of the breadwinner.

Micro- and area-based schemes

40. Micro- and area-based schemes provide the same sort of social protection to small-scale agriculture and the urban informal sector that more traditional, social insurance programmes supply to the formal labour force. These schemes address vulnerability at the community level. Key among such micro- and area- or enterprise-based schemes are the following:

(a) Micro-insurance schemes, including voluntary and contributory schemes for the community, providing small-scale cash flows to address major community risks. Such schemes often receive funds, extended to them from Government ministries at low interest, to support women and youth enterprises; the mutual obligations within such groups make it much easier for the Government to recover the loans;

(b) Agricultural insurance, which is sometimes available to farming communities to enable them to pool the risks posed by natural perils, including storms, floods, droughts and plant pests and diseases. In Kenya, the Guaranteed Minimum Return programme was the best-known form of such insurance, guaranteeing farmers a minimum income from their harvests depending on crop and acreage, in the event that drought or other types of natural disasters affected them adversely during a given season. But the scheme was abused by elite farmers, who

made false claims amounting to huge sums, and the programme, facing bankruptcy, was discontinued by the Government;

(c) Community-based social funds, which have evolved as mechanisms to channel public resources to meet particularly pressing needs at the local level. In Kenya, the most successful type of social fund in recent years has been the Constituency Development Fund, which was established in 2003. A total of 2.5 per cent of the national budget is given to each constituency every year to finance local-level projects in the areas of education, health, access roads and agriculture. More than 50 per cent of the allocation in almost all constituencies has been spent on either health or education, thereby addressing the huge funding gap that had existed as a result of central Government expenditure since independence. During the first five years, of its existence, the Fund covered the building of 1,000 new dispensaries and health centres nationally — an average of 200 per year, well above the Government's previous record of approximately 20 per year. The Fund also relieved Members of Parliament and the public of the responsibility of organizing events to raise funds for the purpose that the Fund was fulfilling;

(d) Disaster preparedness and management, which is essential for communities in dealing with disasters that they cannot always prepare for ahead of time. In Kenya, the Ministry of Special Programmes was created specifically to deal with disaster management and preparedness and to make resources available to mitigate disasters such as floods, which can destroy homes, crops, livestock and lead to the major displacement of communities from their homes. New settlements of such displaced persons often require services that they cannot afford, especially following the loss of property and sources of livelihood.

Child protection

41. All over the world, children and women have emerged as the most vulnerable groups in society. Children, in particular, suffer a triple disadvantage in society.

42. First, they are physically vulnerable, owing to their age and their inability to assert themselves in an environment where they look up to the older members of the family and society to provide for them and look after them.

43. Secondly, when their protectors or mothers are vulnerable, they suffer the consequences as a result of their dependence. For example, expectant mothers whose diets lack folic acid are likely to bear children who eventually suffer from hydrocephalus, a debilitating disease that adversely affects the head and leads to the stunting of the child's growth.

44. Thirdly, they are vulnerable because they are the least aware, in the context of their social situation, of their rights and the opportunities, claims, survival strategies, and so forth, available to them. For example, in conflict-ridden societies, children (who are sometimes left behind by parents engaged in war) are often recruited or forcefully abducted into combat forces as soldiers. The issue of child soldiers and the abuses to which they are subjected is a major concern in the world today.

45. Public policies to provide social protection for children, and the packages that make such protection accessible to children through public financing, vary from country to country and, at times, from one issue or problem to another as they are encountered by Governments, international agencies, non-governmental

organizations and community organizations. However, the United Nations Convention on the Rights of the Child states that society, through good governance, must provide measures to ensure that the child is protected from forms of abuse and exploitation, including child labour, prostitution, trafficking and the adversities faced by the girl child, street children, physically challenged children and children under armed conflict.

46. In this regard, the United Nations Children's Fund (UNICEF) has launched several programmes and initiatives which address these concerns. The plight of children directly affects the social well-being and development of all societies, and there is an urgent need to develop public policies and launch programmes aimed at addressing the plight of children in the short, medium and long terms.

47. A number of well-known types of programmes funded by Governments, international agencies and the private sector are set out below:

(a) Early child development programmes, aimed at ensuring the balanced psychomotor development of the child through basic nutrition, preventive health and educational programmes. Such programmes are now becoming common feature in primary schools in Kenya. Unfortunately, facilities for such programmes are still provided largely by non-governmental organizations, a rather unfortunate sign that the Government has not yet put its money where its mouth is;

(b) School-feeding programmes, scholarships or school fee waivers;

(c) Waiving of fees for mothers and children in health services;

(d) Programmes to protect street children by putting them in homes and/or providing foster parents;

(e) Child rights advocacy and awareness programmes, focusing on substance abuse, child labour, child trafficking, sexual abuse and pornography;

(f) Youth programmes to prevent the marginalization of teenagers, criminality (including the use of children as decoys during carjackings), sexually transmitted diseases and child marriage, which is tolerated and even advocated in certain cultures;

(g) Family allowances through means-tested cash transfer or coupons/stamp programmes to facilitate access to food and/or services to assist families with young children in meeting their basic needs. In Brazil, the cash transfer programme has been hailed as one of the major successes of the Government of President Lula da Silva.

Social protection strategies and rationale: how and when do Governments choose to socially protect?

48. A strategy to implement a social protection agenda, or a regime of social protection programmes, will depend on the level of development of an economy (i.e., what the Government can afford, within its budget, to allocate to social protection programmes), the influence or strength of the social forces advocating a certain type of social protection, and what appears to be a pressing matter: the intense competition among public priorities that Governments often face in allocating resources through budgetary provisions. The "global picture" or ideology to which a Government is committed can also be an important factor. It has been

argued that social democratic regimes are more prone to drive social protection agendas than conservative or more "pro-market" regimes. Regimes which must seek their electoral mandate from the popular masses and labour movements will also be likely to promote social protection.

49. Voluntary associations, faith-based organizations, non-governmental organizations, international organizations and donor agencies are some of the very important actors who shape the social protection strategies and agenda in developing countries. They very often play larger than life roles in public policy formulation because of their funding powers.

50. Governments seeking to promote social protection must, first and foremost, determine whether such policies are sustainable over a long period of time and whether there are resources to sustain them. In April 2009, the United Nations System Chief Executives Board for Coordination launched a global initiative for a universal social protection floor. This was subsequently endorsed in several international and national documents and forums. At least 30 developing countries have begun to introduce elements of a social protection floor. A recent report, issued in 2010, of the Social Protection Floor Advisory Group drawing on the experiences of those countries shows that social security schemes are a vital and flexible policy tool to counteract or reduce the impact of the social and economic consequences of financial shocks and crises. Studies by ILO have found that it is possible to finance the social protection floor, or some of its components, even in low-income countries. The value of building a social protection floor has been demonstrated by the impact of this tool on the achievement of the Millennium Development Goals related to poverty reduction, education and health. This shows that, with the necessary political will, adequate resources for capacity-building and a sound implementation process, supported by strong national consensus in favour of the social protection floor, such policies can be created and expanded.

51. The first resource base that is at the disposal of Governments is taxation. The beneficiaries of social protection programmes are not necessarily those who bear the biggest burden in terms of paying tax to the Government. It is often the salaried people, including the business community and farmers — who may not necessarily be the majority in developing countries — who contribute the biggest share to Government revenue through tax.

52. Yet the Government needs to inform taxpayers that abject poverty which impedes the development potential of an economy also has a negative effect on the prosperity and security of the taxpayer in the long term (at times even in the short term). Doing something to mitigate abject poverty through social protection — i.e., seeking to "push" the poor into the market — is good for both the economy in general and the taxpayer in particular.

53. The second base of resources available to the Government is the people themselves. People who do not participate in the main economic activities of a society are not a resource but a burden, in terms of crime, disease and dependency. People engaged in economic activities through such programmes as social protection represent a resource: they become part of the consumer market for the economy and thus boost the domestic market; they pay taxes through value-added taxation, thereby increasing the tax kitty.

54. In order to make social protection programmes acceptable to the people, their rationale needs to be clear to both the beneficiaries and the taxpayers alike. Their initiation may solicit strong resistance from certain privileged social strata in society, who may even defeat some crucial implementation aspects. But history shows that countries which have managed social protection programmes well — in emerging markets as well as developed economies — have always done well in terms of development in general and the human development index in particular.

Conclusion

55. In many developing societies, leadership at the international, national and ministerial levels often plays critical positive roles in promoting and implementing State capacity-building and social protection programmes. At the international level, the political moment provides reason for hope that domestic and international policies will be changed to support such endeavours, even in the face of immense challenges and the adaptation needed. Progress may require strong local and international pressure on Governments to implement the Millennium Development Goals in deeds, rather than simply signing international resolutions and conventions.